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ABSTRACT

In response to the increasing numbers of homeless families, Homes for the Homeless surveyed families in emergency shelters in Newark (New Jersey) to gain some insights into the characteristics and circumstances of urban homeless families. Newark was chosen because it is a large urban center with a high concentration of welfare recipients that is currently undergoing economic revitalization. Findings show that the typical homeless family in Newark consists of a 32-year-old single African American female, with two children averaging 8 years of age. There is a 50% chance that she did not graduate from high school, has received welfare, and has been homeless more than once. In all likelihood, she is currently unemployed. However, almost half of the homeless families have never received welfare, and 14% received it for less than 1 year. In addition, many parents have a strong work history. Twenty percent are currently employed, and virtually all held a long-term job at some point. Many of Newark's homeless families are low-income working poor. The primary reasons families cite for becoming homeless are doubled-up and tripled-up living situations (overcrowding or disagreements). Another 25% report being unable to pay rent, heading directly to a shelter for assistance. Findings demonstrate that family homelessness in Newark is at a critical stage. It is recommended that current welfare policies leading to overcrowded living situations must be changed, and additional forms of housing assistance must be provided in order to prevent the working poor from traveling "up the down staircase." (Contains 7 figures and 11 endnotes.) (SLD)

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Institute for Children and Poverty/ Homes for the Homeless

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1

Up the Down Staircase

A Look at Family Homelessness in New Jersey

The Ups and Downs

With the nation's welfare rolls plummeting and millions more people working, why is family homelessness on the rise? In Maine, homelessness is up thirty-three percent with demand exceeding capacity for the first time in a decade. In San Diego, families are sleeping in shelter lobbies, with three times as many families needing shelter this year than the year before. And in Boston, the number of families entering the emergency shelter system increased a whopping eighty-seven percent over the previous year.

In response to these national conditions, the Institute for Children and Poverty surveyed families residing in emergency shelters in Newark, New Jersey where welfare reform is well under way and homelessness has begun to rise. The city of Newark was chosen for the study because it is the largest urban center in the state, it is located in a county with the highest concentration of welfare recipients, and it is currently undergoing economic revitalization.

The Profile

The typical homeless family in Newark consists of a thirty-two-year-old single, African American female, with two children averaging eight years of age. There is a fifty percent

chance that she did not graduate from high school, received welfare, and has been homeless more than once. In all likelihood, she is currently unemployed (See Table 1).

Surprisingly, almost half (44%) of the homeless families surveyed have never received welfare and fourteen percent received it for less than one year (See Figure 1). Additionally, many parents have strong work histories. Twenty percent are currently employed and virtually all held a long-term job at some point (average: two years). Moreover, two in five (41%) homeless families were living on their own in an apartment or house prior to becoming homeless (See Figure 2). In short, many of Newark's homeless families are not chronic welfare dependents, but the low-income working poor. They have lived independently but on the edge of severe poverty—that is until now. With recent changes in the employment and housing markets they are now becoming homeless and living in shelters.

Figure 1: Length of Time on Welfare



Figure 2: Homeless Families' Last Place of Residence

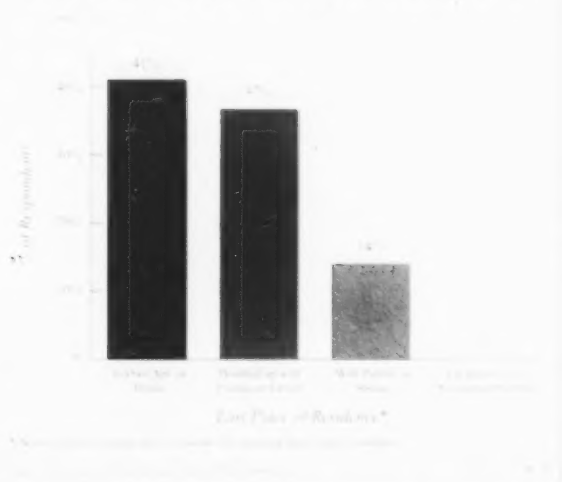


Table 1: A Profile of Homeless Families in Newark

Characteristic	Newark	Characteristic	Newark
Gender	%	Education Level	%
Female	82	High Sch	51
Male	18	High Sch Grad	23
Age	%	High Sch	26
18 years or less	3		
19-25 years	38	Employment Status	%
26-30 years	23	Unemployed	80
31 years or more	33	Employed	20
Avg. Age	32	Employment History	
Race/Ethnicity	%	Ever Employed	99
African American	86	Avg. Time Employed	2 years
Hispanic	5		
White	2	Avg. Age of Children	8
Other	4		
Marital Status	%	Number of Children	%
Never Married	34	0	46
Married	7	1	29
Separated/divorced	59	2-4	26
Times Homeless	%	5 or more	11
Once	49		
More than Once	51		

Source: Institute for Children and Poverty, 1998, p. 12.

* If you are currently homeless, please indicate the last place you lived before becoming homeless.

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The Economics

Even with the most robust economy in decades, low-income families appear to have been left behind. Nationally, homeless parents who work earn eighty-six percent of the federal poverty level for a family of three, or only \$11,440 a year. For low-income workers in general, wages have been falling for over a decade. In fact, between 1979 and 1995 the hourly wage for all low-income workers fell seventeen percent while the poverty rate among the working poor increased thirty-eight percent (See Figure 3).

Figure 3: National Poverty Rate for Working Families, 1979-1995



Source: U.S. Census Bureau, "Poverty in the United States: 1996," Table A-1.

Figure 4: Number of Jobs in NJ by Industry, 1979-1995



Figure 5: Annual Salaries by Industry in the U.S., 1995

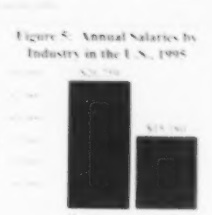
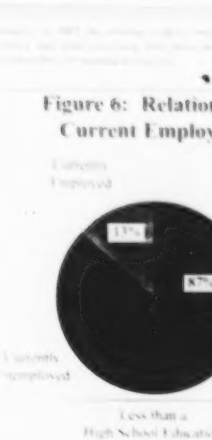
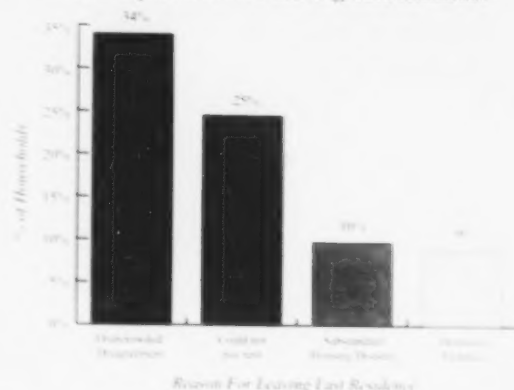


Figure 6: Relationship Between Education and Current Employment for Homeless Parents



Homeless parents with at least a high school degree are more than twice as likely to be currently employed than those without a high school degree.

Figure 7: Homeless Parents' Primary Reasons for Leaving Last Residence



Over one-third of homeless families left their last residence because of overcrowding and disagreements issues, both associated with doubling- and tripling-up. One-quarter left because they could not pay their rent. Roughly ten percent left because of domestic violence.

guarantees a living wage, leaving little doubt that homelessness will increase.

The Housing

The primary reasons families cited for becoming homeless were doubled- and tripled-up living situations (overcrowding or disagreements—34%). This is common among low-income families unable to afford their own housing. They begin a nomadic journey, living with relatives or friends for some period of time before having to finally go to a shelter. An additional twenty-five percent of families reported being unable to pay rent, heading directly to a shelter for assistance (See Figure 7).

None of this is surprising in light of the growing shortage of affordable housing across the nation. In 1970, there were 300,000 more low-cost rental units in the U.S. than there were low-income renters. Twenty-five years later, by 1995, there were 4.4 million fewer low-cost rental units than low-income renters (See Figure 8). The coin has flipped and homelessness has grown. The Federal Department of Housing and Urban Development reports that households with housing costs exceeding one-third of their monthly income are at risk of losing their home—eventually becoming homeless. In Newark in 1995, one in every four, or 22,700 households, had housing costs greater than fifty percent of their monthly income, making them almost twice as likely to become the victims of homelessness.

Figure 8: The Growing Shortage in Affordable Housing: U.S. 1970-1995



Source: U.S. Department of Housing and Urban Development, "Housing in the United States: 1996," Table A-1.

The Future

If the findings of this brief analysis demonstrate anything, it is that family homelessness in Newark is at a critical stage. The fact that forty-four percent of currently homeless families were never on welfare is troubling. The working poor—those who have never been on public assistance, but still live in a state of deep poverty—are losing ground fast. If during the “best of times” these daily survivors are experiencing the “worst of times,” what can we expect when the economy turns down?

As economic changes coincide with a growing shortage of affordable housing, members of the working poor become even more likely to slip into homelessness. The situation in Newark shows that this is already a reality. If the Department of Housing and Urban Development's one-third-of-income standard remains true, additional forms of supplemental income or housing supports need to be generated in order to keep low-income families working and housed.

And if working poor families are being pushed down the economic ladder, what about those below them who are dependent on welfare? For them, the worst is yet to come. With welfare reform focused on sporadic work, sanctions, and time limits, what comes next? Nationally, forty-nine percent of homeless families who experienced reductions in, or the termination of, their benefits, report that those changes were the primary cause of their becoming homeless.¹ In New Jersey, fifty-two percent of families who had their welfare benefits cut had to rely on family or friends often moving to the first stage of homelessness—doubled and tripled-up living situations.

In response, all levels of government need to take note: New Jersey in particular needs to take action. If current welfare policies are leading to overcrowded living situations and eventually homelessness, they must be changed. To keep the working poor from becoming homeless, additional forms of housing assistance must be provided. Otherwise, we might eventually find that as we seek to move the less fortunate up and out of poverty, we are unexpectedly in fact pushing them down. In the end, they will have travelled *up the down staircase* as the cycle of homelessness and poverty begins again.

Footnotes

1. Canfield, Clarke. *Sanctuary Shelter: Turning Families Away*. Portland Press Herald, 25 December 1997. B1.
2. Powell, Ronald W. *Rise in Homeless Families Seen*. San Diego Union-Tribune, 28 August 1998. B1.
3. Dowdy, Zachary R. *Homelessness Rising Despite Brisk Economy*. Boston Globe, 12 October 1998. B1.
4. Ninety-four families were surveyed during the spring of 1998.

5. *Ten Cities: A Snapshot of Family Homelessness Across America*. New York City: Homes for the Homeless, 1998.
6. Center on Budget and Policy Priorities. *Poverty Despite Work Handbook*. April 1997. 70.
7. *Ibid.*, p. 95. Statistical Abstract of the United States 117th ed. 1997.
8. Center on Budget and Policy Priorities. *In Search of Shelter: The Growing Shortage of Affordable Housing*. 1998. 11.
9. *Newark Consolidated Plan: Executive Summary*. Newark Department of Housing and Urban Development Website, 1998. 2.
10. *Ten Cities: A Snapshot of Family Homelessness Across America*. New York City: Homes for the Homeless, 1998.
11. Bureau of Quality Control. New Jersey Department of Health and Human Services. *TCM: Sanction Survey, Table 6*. April 1998.

The Institute for Children and Poverty would like to thank the shelters of Essex County who participated in this study:

Apostle's House
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